

EXHIBIT 17
DATE 2/23/07
HB 762

**HOUSE BILL NO. 762
SECTION SUMMARY
PREPARED BY DEPARTMENT OF JUSTICE**

Section 1: 17-8-402. Definitions.

Page 1, line 20 amends definition of government attorney to eliminate "chief attorney for a governmental entity." Practical effect, the government attorney would be the attorney general and knowledge of all false claims would be centralized at the state level.

Page 2, line 6 expands definition of person to include "other legal or business entities."

Section 2: 17-8-403. False claims—procedures—penalties.

Primarily language changes to comply with federal requirements.

Substantive change from present law: Clarifies civil penalty of not less than \$5000 not more than \$10,000 for each act. Current law allows a civil penalty of up to \$10,000 for each act but does not specify a minimum penalty.

Section 3: 17-8-404. Limitation of actions.

Changes SOL to comply with requirements of federal law.

Section 4: 17-8-405. Investigation and civil action by government attorney.

Requires government attorney, which is defined as the AG, to investigate false claims allegations and allows the government attorney to file a civil action.

Section 5: 17-8-406. Complaint by person—civil action.

Changes from current law:

- Allows civil action to be brought by a "person" rather than a private citizen which was more limited
- Requires complaint to be served on the government attorney and filed under seal for at least 60 days
- Requires government attorney within 60 days of receiving the complaint to either intervene or notify court that it declines to take over the action
- Sets out the procedure by which the court may limit participation of the person who filed the action

Section 6: Section 17-8-407. Dismissal of civil action.

Language changes to comply with federal requirements.

Section 7: Section 17-8-408. Settlement.

Language changes to comply with federal requirements.

Section 8: Section 17-8-410. Distribution of damages and civil penalty.

Government attorney primary plaintiff:

Page 7, lines 8-11

Current law action filed by government attorney and private citizen chose not to participate, private person entitled to b/w 10 and 15% of any recovery.

Page 7, lines 18-21

Person entitled to recovery of b/w 15 and 25% of any recovery.

Page 7, lines 22-29

If action based on disclosure of information from sources other than the person who filed the action, the court may limit the person's recovery to no more than 10% (not particularized knowledge, but information disclosed through other criminal or civil proceeding, legislative action, or the news media).

Person primary plaintiff:

Page 7, lines 12-17

Current law action filed by private citizen, person entitled to b/w 15 and 50% of any recovery.

Page 8, lines 4-10

Person entitled to recovery of b/w 25 and 30% of any recovery.

Page 8, lines 11-19

If person initiating action participated in false claim violation, court may reduce or eliminate any share to which they would have otherwise been entitled.

Section 9: Costs and attorney fees.

Language changes to comply with federal requirements.